

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 LAB-04 AID-05 CEA-01 CIAE-00  
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TO SECSTATE WASHDC 7247

UNCLAS PARIS 30163

USOECD

PASS LABOR FOR ASSISTANT SECRETARY BURKHARDT

E.O. 11652: N/A  
TAGS: ELAB, OECD  
SUBJECT: OECD INVITATION TO ASST. SEC. OF LABOR  
BURKHARDT

1. MISSION IS AIR POUCHING LETTER, WITH ENCLOSURES,  
ADDRESSED TO LABOR ASSISTANT SECRETARY BURKHARDT FROM  
J. R. GASS, HEAD OF THE OECD DIRECTORATE FOR SOCIAL  
AFFAIRS, MANPOWER AND EDUCATION, INVITING BURKHARDT  
TO PARIS FOR ABOUT TEN DAYS THIS FALL TO WORK WITH THE  
OECD SECRETARIAT ON FOLLOW-UP TO THE JULY WASHINGTON  
CONFERENCE ON COLLECTIVE BARGAINING AND GOVERNMENT  
POLICIES.

2. BURKHARDT IS INVITED BY THE SECRETARIAT IN HIS  
CAPACITY AS CHAIRMAN OF THE WORKING PARTY ON INDUSTRIAL  
RELATIONS TO HELP REVIEW THOSE PORTIONS OF THE  
1979 WORK PROGRAM RELATING TO SUBJECTS DISCUSSED AT  
THE CONFERENCE. PRINCIPAL CONCERN IS THAT OF OBTAIN-  
ING AGREEMENT AMONG MEMBER GOVERNMENTS ON FURTHER  
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DEFINITION OF ACTIVITIES TO BE PURSUED IN THIS AREA.  
GASS NOTES THAT A CONTRIBUTION FROM BURKHARDT AND  
WORKING PARTY VICE CHAIRMAN TRIOLA OF ITALY (ALSO BEING  
INVITED) WOULD BE PARTICULARLY USEFUL "SINCE THE ISSUES  
ARE POLITICALLY SENSITIVE AND MUST BE EXPRESSED IN A  
WAY WHICH WILL MAKE IT POSSIBLE FOR MEMBER GOVERNMENTS  
TO PROCEED TO THE NEXT STAGE."

3. WITH HIS LETTER, GASS INCLUDES TWO PAPERS ON THE WASHINGTON CONFERENCE PREPARED BY THE OECD SECRETARIAT: (A) SECRETARIAT VIEWS ON THE MAIN RESULTS OF THE CONFERENCE AND (B) A NOTE WHICH RESTATES THE POLICY ISSUES AS THE SECRETARIAT BELIEVES THEY MAY BE DEFINED POST-WASHINGTON.

4. THE PAPER SUMMARIZING THE CONFERENCE LISTS FIFTEEN POINTS ON WHICH IT BELIEVES BROAD CONSENSUS WAS REACHED, INCLUDING: (A) IN PRESENT ECONOMIC CIRCUMSTANCES, COLLECTIVE BARGAINING HAS BECOME MORE CENTRAL BUT, AT THE SAME TIME, MORE DIFFICULT TO RECONCILE WITH ECONOMIC POLICIES (E.G. RE INFLATION); (B) GOVERNMENT INVOLVEMENT IN WAGE AND LABOR COSTS IS INCREASING BUT NOT YET FULLY ACCEPTED; (C) MORE RELEVANT AND OBJECTIVE GOVERNMENT ECONOMIC DATA ARE NECESSARY FOR THE BARGAINING PROCESS; (D) A WEAKNESS APPEARS TO EXIST IN COLLABORATION BETWEEN ECONOMIC AND LABOR MINISTERS IN MANY COUNTRIES; (E) COLLECTIVE BARGAINERS MUST BE MORE RESPONSIVE TO THE PUBLIC INTEREST AND GOVERNMENTS TO THE CONSTRAINTS AND REALITIES OF THE BARGAINING PROCESS; (F) A TRADE-OFF BETWEEN INFLATION AND UNEMPLOYMENT STILL EXISTS BUT CHANGES IN CONSUMER PRICES HAVE DOMINATED WAGE DEVELOPMENTS IN RECENT YEARS; (G) RIGID STATUTORY WAGE CONTROLS HAVE LITTLE VALUE BUT REASONABLY UNCLASSIFIED

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ACCEPTABLE INCOMES POLICIES MUST BE FIRM.

5. THE POLICY ISSUES PAPER DISCOURSES FURTHER ON THE MAIN DISCUSSIONS AT THE CONFERENCE AND CONCLUDES THAT OECD'S ROLE MIGHT BE THAT OF STRESSING TO MEMBER GOVERNMENTS THE IMPORTANCE OF HAVING A SOCIALLY RESPONSIBLE WAGES POLICY IF THE OBJECTIVES OF FULL EMPLOYMENT, STABLE GROWTH AND PRICE STABILITY ARE TO BE ACHIEVED. FURTHER, THE PAPER SUGGESTS THAT OECD COULD PLAY A VERY USEFUL ROLE BY ACTING AS AN INDEPENDENT SOURCE FOR POLITICALLY UNBIASED ECONOMIC INFORMATION TO COLLECTIVE BARGAINERS.

6. MISSION WOULD APPRECIATE BEING ADVISED OF BURKHARDT'S RESPONSE TO THE SECRETARIAT INVITATION. SALZMAN

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## Message Attributes

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